(c) The project report of Indian Airlines for acquisition of 43 aircraft at the cost of Rs. 10,089 crores has since been received.

(d) and (e) The working group on Civil Aviation for the Tenth Five Year Plan has projected average annual growth rate in domestic passenger traffic to be on 5% and that in international passenger traffic to be of 6%.

The new aircraft are envisaged to replace the entire fleet of A-300 and B-737-200 in a phased manner by March, 2005 as well as to cater to the projected traffic growth during the five year period.

Commission to sales agents of Air India

†876. SHRIMATI PREMA CARIAPPA:
SHRI MOTI LAL VORA:

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it is a fact that Air India has suffered huge loss due to commission given arbitrarily to its sales agents by three senior officers of its London-based office;

(b) if so, the amount of loss suffered by Air India;

(c) whether it is also a fact that a penalty has been imposed on these officers after declaring them guilty by C.B.I.;

(d) if so, the amount of the penalty imposed and by when it will be recovered; and

(e) what are the recommendations of the Parliamentary Committee in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI RAJIV PRATAP RUDI): (a) and (b) CBI has investigated the issue of undue payment by Air India to its ex-General Sales Agent M/s Welcome Travels in London and has recommended recovery of an excess payment of UK Pound Sterling 268,888.01.

(c) and (d) Yes, Sir. Penalty of "Censure" has been imposed on one officer. The final retirement dues in respect of another Officer and medical and passage facilities in respect of third Officer have been withheld. AI has initiated legal action to recover the excess amount paid to the General Sales Agent.

†Original notice of the question was received in Hindi.

(e) The recommendations of the Parliamentary Committee are (i) PLI scheme should be made within the scope of the GSA agreement so that in case of default at any subsequent stage, the excess money paid may be recovered without any legal impediments, (ii) Air-India should announce the contents of the PLI scheme well before the commencement of every financial year with no ambiguities in the terms and conditions as to how the incentive would be domputed and it should be ensured that the acceptance of the terms and conditions are received well in time from the Consolidators/Sales Agents, (iii) Air-India should ascertain immediately from the Sub-Agents whether they actually received the 9% commission from the GSA for the years 1997-2000. Suitable clause in the agreement should be inserted under which the GSA should obtain certificates from the Sub-Agents of having received the commission and pass them to Air-India for records in future, (iv) the minimum level of net sales fixed for grant of PLI should be reviewed, (v) the role of the Managing Director should clearly be defined so that responsibility could be fixed in respect of such instances of overpayment, (vi) the sale carried out by the Officers of Air-India should be delinked from the issue of expenses being met by the GSA, and the revenue generated by the efforts of the Air-India Offices at Birmingham and Manchester should not be included in the overall sales to determine the quantum of PLI, (vii) the format of the PLI table should be suitably revised to take into account that additional PLI are paid only on the additional sale generated so that the liability of Air-India is made definite from the legal and financial angle, (viii) Government should quantify the excess amount of overpayment made and thereafter make all efforts to recover the amount due expeditiously within a definite time-frame, and in the event the Consolidator does not agree to repay the excess payment made so them, the Committee recommended that their Consolidatorship should be terminated forthwith and there should be no dealings, (ix) stringent and deterrent action should be taken against the Officers indicated by the CBI so that it acts as a constant reminder to potential offenders in future in the Company, (x) urgent steps should be taken to ensure the appointment of more capable Consolidators in sufficient number for this territory so that the commercial and financial interests of Air-India are protected.